

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 235985

11

ORIGIN AGR-08

INFO OCT-01 EUR-12 IO-10 ISO-00 EB-07 COME-00 STR-04

AID-05 CEA-01 CIAE-00 FRB-03 INR-07 NSAE-00 CIEP-01

SP-02 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 /068 R

05

DRAFTED BY FAS:TOD:RBSCHROTER:ELH

APPROVED BY EB/OT/TA:WGBARRACLOUGH

JMBESHOAR:FAS:TOD-AGRIC

GWHITE:FAS:ITP-AGRIC

DNOVOTNY:FAS-AGRIC(IN DRAFT)

GSBROWN:FAS:AO-AGRIC

GSAMMON:COMMERCE(IN DRAFT)

SCRAVEN:COMMERCE(IN DRAFT)

MCHAVEZ:TREASURY(IN DRAFT)

JSTARKEY:STR(IN DRAFT)

MPOMERANZ:STR(IN DRAFT)

AGRIC:ERBEVIS

EB/OT/TA:TFO'HERRON

----- 121352

R 031647Z OCT 75

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

USDEL MTN GENEVA

LIMITED OFFICIAL USE STATE 235985

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 235985

E.O. 11652: N/A

TAGS: EC, EAGR, ETRD

SUBJECT: EC EXPORT SUBSIDIES FOR BARLEY MALT

1. A U.S. EXPORTER OF BARLEY MALT HAS COMPLAINED TO SEVERAL USG AGENCIES AND TO CONGRESS ABOUT SUBSIDIZED EC EXPORTS OF BARLEY MALT TO THIRD COUNTRY MARKETS, PARTICULARLY JAPAN. THE EXPORTER ASSERTS THAT RESUMPTION OF EC SUBSIDIZATION OF MALT EXPORTS HAS RESULTED IN A DRASTIC REDUCTION IN HIS EXPORT BUSINESS AND THREATENS TO ELIMINATE U.S. PRODUCT FROM ASIAN MARKETS. IN FY 1974, U.S. MALT EXPORTS WERE VALUED AT \$9.4 MILLION. ABOUT ONE-THIRD OF THESE EXPORTS WENT TO JAPAN.

2. EC OFFICIAL JOURNALS SHOW THAT THE COMMISSION GREATLY INCREASED THE MALT EXPORT SUBSIDIES IN MAY-JULY 1975. ON MAY 23, THE SUBSIDIES WERE RAISED FROM 5 U.A. PER MT TO 42.68-53.50 U.A./MT THROUGH THE INTRODUCTION OF CORRECTIVE AMOUNTS (EC REGULATIONS 980/75 AND 1293/75). BY JULY 1 THE EXPORT SUBSIDIES (INCLUDING CORRECTIVE AMOUNTS) HAD REACHED THE FOLLOWING LEVELS (IN U.A./MT); ROASTED MALT - 82.86.

3. ON JULY 15 THE EC COMMISSION BEGAN REDUCING THE MALT SUBSIDIES AND ON AUGUST 15 ELIMINATED THEM. ELIMINATION OF MALT EXPORT SUBSIDIES HOWEVER, MAY HAVE LITTLE OR NO EFFECT ON WORLD MARKET PRICES AND TRADE FOR SEVERAL MONTHS BECAUSE OF ADVANCE FIXING PROVISIONS. MALT EXPORT SUBSIDIES CAN BE FIXED IN ADVANCE FOR UP TO TWELVE MONTHS.

4. ACTION: MISSION IS REQUESTED TO EXPRESS USG CONCERN TO THE COMMISSION OVER THE DISRUPTING EFFECTS OF THE EC MALT SUBSIDIES ON U.S. EXPORTS. MISSION SHOULD QUESTION COMMISSION ON JUSTIFICATION FOR (A) VERY HIGH SUBSIDY RATES IN MAY - JULY PERIOD; AND (B) THE LONG PERIOD ALLOWED FOR ADVANCE FIXING. WE WOULD BE INTERESTED IN DATA ON THE QUANTITIES OF MALT FOR WHICH THE EXPORT SUBSIDIES WERE PRE-FIXED IN MAY - JULY. (FYI. WEST COAST MALT EXPORTER HAS INFORMED STR THAT IT IS PREPARING PETITION FOR REMEDIAL ACTIONS UNDER SECTION 301 OF THE TRADE ACT. END FYI.)

5. WE UNDERSTAND THAT BOTH AUSTRALIA AND CANADA HAVE COMPLAINED TO THE COMMISSION IN RECENT MONTHS ON THE MALT EXPORT SUBSIDIES. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 235985

MISSION MAY WISH TO CHECK WITH AUSTRALIAN AND CANADIAN MISSIONS TO DETERMINE PRESENT STATUS OF THEIR PROTESTS. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, EXPORT SUBSIDIES, EXPORTERS, BARLEY
Control Number: n/a
Copy: SINGLE
Draft Date: 03 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE235985
Document Source: CORE
Document Unique ID: 00
Drafter: TOD:RBSCHROTER:ELH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750345-0108
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751087/aaaaczoo.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2003 by KelleyW0>; APPROVED <07 OCT 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC EXPORT SUBSIDIES FOR BARLEY MALT
TAGS: EAGR, ETRD, US, EEC
To: EC BRUSSELS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006